

Des Moines Register
June 15, 2005

CAFTA Benefits: Good Will

Secretary of Agriculture Mike Johanns was preaching to the choir in Iowa last week when he urged support for the Central American Free Trade Agreement (CAFTA). The pork producers to whom he spoke generally favor the agreement, which is expected to expand the export market for most U.S. agricultural commodities.

The exception is sugar. The agreement is strongly opposed by the highly protected U.S. sugar industry as well as by the usual ideological opponents of free trade. They include a number of Republicans in Congress, which means President Bush is going to have to spend some of his vaunted political capital if he is to have any hopes of getting the agreement approved.

CAFTA is basically an expansion of the North American Free Trade Agreement to include five small Central American countries - Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua - plus the Dominican Republic in the Caribbean. The agreement is unlikely to have a noticeable effect on the overall U.S. economy. The economies of those countries are too small to have much impact on the huge U.S. economy one way or the other.

Some gain in U.S. agricultural exports is expected, however, because the agreement would eliminate tariffs, now averaging more than 10 percent, that the Central American countries impose on U.S. agricultural products. Most Central American products, on the other hand, already can enter the United States duty-free.

The situation is reversed with sugar. The United States imposes strict quotas on sugar imports. The agreement would modestly increase the sugar quota from Central America.

Iowa's senators appear split on the issue. Republican Chuck Grassley has expressed strong support for the agreement, citing its benefits for U.S. agriculture. Democrat Tom Harkin has expressed reservations, questioning whether the gains for agriculture will actually materialize and whether the agreement sufficiently protects against child labor. Members of Congress tend to look at trade agreements narrowly, focusing on whether they help or hurt the industries in their states. A broader view is needed. The fundamental question shouldn't be about sugar or soybeans. It should be whether the United States wants to live in a hemisphere in which walls of resentment and exclusion are torn down, a hemisphere in which friends share a common destiny by trading freely and openly as good neighbors.

Building a Western Hemisphere united in trade and shared prosperity is worth President Bush twisting a few arms in Congress to obtain.